



MEMORANDUM

TO: Peter Mlynarik, Chair, and
Members of the Marijuana Control Board

DATE: July 12, 2017

FROM: Erika McConnell, Director

RE: Notices of Violation

Between May 5 and June 23, two NOVs have been issued:

- AB17-0219 to High Bush Buds, Inc. (#10831) retail store for violation of advertising restrictions (3 AAC 306.360)

This is the third NOV issued to this licensee regarding violations of the advertising restrictions.

- AB17-0222 to Bob's Morning Bear Cultivation (#10063) cultivation facility for violation of inspection and investigation (3 AAC 306.800(b)(2))

In addition, the following NOV and response which were brought to you at the May 15, 2017, board meeting is brought back with an additional response.

- AB17-0117 to Einstein Enterprises, Inc., (#10082) product manufacturing facility for violation of transportation regulations (3 AAC 306.750)

Notice of Violation

(3AAC 306.805)

This form, all information provided and responses are public documents per Alaska Public Records ACT AS 40.25

Date: 05/08/2017

Licensee: High Bush Buds, Inc.

DBA: High Bush Buds

License #/Type: 10831 /Retail Marijuana Store

Address: 36312 Irons Ave., Ste 2, Soldotna, AK 99669

AMCO Case #: 17-0219

This is a notice to you as licensee that an alleged violation has occurred. If the Marijuana Control Board decides to act against your license, under the provisions of AS 44.62.330 - AS 44.62.630 (Administrative Procedures Act) you will receive an Accusation and Notice of your right to an Administrative Hearing.

Note: This is not an accusation or a criminal complaint.

On 05-05-2017 at 1756 hrs. the Alcohol and Marijuana Control Office Enforcement Unit received an anonymous complaint that you were advertising marijuana strain CBD Skunk Haze on your web site, <http://highbushbuds.com>, as having curative or therapeutic effects.

On 05-08-2017 at approximately 0850 hrs. I visited your web site, <http://highbushbuds.com>, and saw marijuana strain CBD Skunk Haze listed. Under its description it states "This strain is appreciated for its medicinal value,....." While reading advertisements for other marijuana strains on your web site I noticed other products listing marijuana products as having therapeutic effects including the marijuana strain Pineapple Fields. Under this marijuana strain description it states "Enjoy Pineapple Fields throughout the day to elevate mood, curb depression, and stimulate motivation."

These descriptions makes the advertisements a violation of Alaska Marijuana Regulation section 3 AAC 306.360(b)(3) as follows:

3 AAC 306.360: Restriction on advertising of marijuana products.

(b): An advertisement for marijuana or a marijuana product may not contain a statement or illustration that:

(3) Represents that the use of marijuana has curative or therapeutic effects

3 AAC 306.805 provides that upon receipt of a Notice of Violation, a licensee may request to appear before the board and be heard regarding the Notice of Violation. The request must be made within ten days after receipt of the Notice. A licensee may respond, either orally or in writing, to the Notice. 3 AAC 306.810(3)(A)(B)(C) failed, within a reasonable time after receiving a notice of violation from the director, to correct any defect that is the subject of the notice of violation of AS 17.38 or this chapter, a condition or restriction imposed by the board or other applicable law.

IT IS RECOMMENDED THAT YOU RESPOND IN WRITING TO DOCUMENT YOUR RESPONSE FOR THE MARIJUANA CONTROL BOARD.

*Please send your response to the address below and include your Marijuana Establishment License Number in your response.

Alcohol & Marijuana Control Office
ATTN: Enforcement
550 W. 7th Ave, Suite 1600
Anchorage, Alaska 99501
amco.enforcement@alaska.gov

Issuing Investigator: M. Chiesa

SIGNATURE: 

Delivered VIA: Mail

Received by:

SIGNATURE:

Date:

Date: 5/15/17

To: Alcohol & Marijuana Control Office

From: High Bush Buds License #10831

Re: Violation Dated 5-8-17
Case: 17-0219

I received the violation concerning advertising on our website. You said it looked as if we were giving medical advice.

Our web site is managed by a web specialist. I had given her a strain catalog for a reference guide to describe the strains. Those definitions on our website were taken from the catalog almost word for word. We never intended to give medical advice.

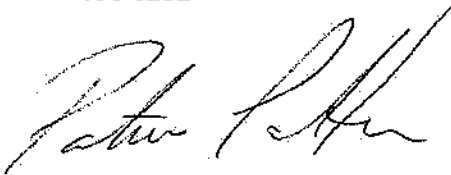
In fact, I had understood the regulations for medical advice to mean... "when a person comes into our store and tells us their medical condition and then we tell them which strain would help their illness". I hadn't considered the strain information about moods, energy or even the commonly used word 'depression' as giving medical advice.

To make sure this does not happen again the following changes have been made. From now on our web specialist will only use tasting profiles or tasting notes to describe a specific strain and no attributes as to how the strain affects your body will be included on our web site or in any advertising medium.

Thank you for the opportunity to correct this error.

Patricia Patterson
High Bush Buds
License #10831
36312 Irons Ave #2
Soldotna AK 99669

907-398-0202

A handwritten signature in black ink, appearing to read 'Patricia Patterson', is written over the printed name and address.

Notice of Violation

(3AAC 306.805)

This form, all information provided and responses are public documents per Alaska Public Records ACT AS 40.25

Date:

License #/Type:

Licensee:

Address:

DBA:

AMCO Case #:

This is a notice to you as licensee that an alleged violation has occurred. If the Marijuana Control Board decides to act against your license, under the provisions of AS 44.62.330 - AS 44.62.630 (Administrative Procedures Act) you will receive an Accusation and Notice of your right to an Administrative Hearing.

Note: This is not an accusation or a criminal complaint.

3 AAC 306.805 provides that upon receipt of a Notice of Violation, a licensee may request to appear before the board and be heard regarding the Notice of Violation. The request must be made within ten days after receipt of the Notice. A licensee may respond, either orally or in writing, to the Notice. 3 AAC 306.810(3)(A)(B)(C) failed, within a reasonable time after receiving a notice of violation from the director, to correct any defect that is the subject of the notice of violation of AS 17.38 or this chapter, a condition or restriction imposed by the board or other applicable law.

IT IS RECOMMENDED THAT YOU RESPOND IN WRITING TO DOCUMENT YOUR RESPONSE FOR THE MARIJUANA CONTROL BOARD.

*Please send your response to the address below and include your Marijuana Establishment License Number in your response.

Alcohol & Marijuana Control Office
ATTN: Enforcement
550 W. 7th Ave, Suite 1600
Anchorage, Alaska 99501
amco.enforcement@alaska.gov

Issuing Investigator:

Received by:

SIGNATURE:

SIGNATURE:

Delivered VIA:

Date:



SEATTLE OFFICE
eighteenth floor
second & seneca building
1191 second avenue
seattle, washington 98101-2939
TEL 206 464 3939 FAX 206 464 0125

anchorage, alaska
beijing, china
new york, new york
portland, oregon
washington, d.c.
GSBLAW.COM

G A R V E Y S C H U B E R T B A R E R

A PARTNERSHIP OF PROFESSIONAL CORPORATIONS

Please reply to ERIN L. ELIASSEN
eeliassen@gsblaw.com
DIRECT DIAL 206 816 1468

May 18, 2017

VIA EMAIL (amco.enforcement@alaska.gov) AND FEDEX

Alcohol & Marijuana Control Office
ATTN: Enforcement
550 W. 7th Ave., Suite 1600
Anchorage, Alaska 99501

Re: Bob's Morning Bear Cultivation (License #10063) – Response to Notice of Violation
AMCO Case #: AB17-222

To the Alcohol & Marijuana Control Office:

This office represents licensee Brennan J. Norden d/b/a Bob's Morning Bear Cultivation ("**Licensee**"), a marijuana cultivator licensed by the State of Alaska, license number 10063. We respond to the Notice of Violation dated May 10, 2017 ("**Notice of Violation**").

Licensee has never intentionally violated state laws or regulations in the course of its operation as a marijuana establishment and has only run afoul of certain regulations through misunderstanding the scope of the records requested by AMCO. ***Because the Notice of Violation is based on Licensee's unintentional behavior, Licensee requests that AMCO take no further action with regard to the Notice of Violation.***

As set forth in the Notice of Violation, the Licensee did not promptly provide certain business records to AMCO. Licensee has always operated in strict compliance with state law and is fully aware of its *own* operational duties under state law. However, because this is the first time Licensee has operated in a highly-regulated business and Licensee has never been subject to an investigation, Licensee was not fully aware of his duty to cooperate with investigations and the scope of the required cooperation. Mr. Jeff Rukes, an AMCO Investigator ("**Investigator**"), requested certain information from Licensee related to business dealings with a particular marijuana establishment.

Licensee and Licensee's Independent Contractor Did Not Fully Understand Investigator's Request

In response to the Investigator's request, over the course of several days, Licensee and Licensee's independent contractor engaged with Investigator. Due to a miscommunication, neither Licensee nor Licensee's independent contractor understood that Investigator was formally requesting certain



information and that the information must be provided within three business days. At no time did Licensee or Licensee's independent contractor understand the requests were subject to a particular deadline.

Moreover, the formality of the request was not made apparent to Licensee. Licensee assumed that any formal requests made of him would be made in writing and not over the phone (as they were in this case).

Once Magnitude of Request Was Understood, A Response Was Made Within Hours

Eventually, the formality of the reporting obligation of Licensee was made apparent. Once it was, Licensee provided all requested information within two (2) hours. While Licensee could have been more proactive in understanding the nature of the requests being made of him, once he understood what was at issue, the requested information was provided within hours.

In conclusion, Licensee requests that no further action be taken with regards to the Notice of Violation. The marijuana retail market is nascent in Alaska and much of Licensee's time and energy is spent in operating not only a successful business, but a business completely in compliance with state laws and regulations as it relates to the operation of its facility. And Licensee has, to date, accomplished those goals. Only due to a lack of familiarity with requests from investigators (due to never being investigated himself) and through misunderstanding the verbal requests of the Investigator did Licensee mistakenly not provide the requested information in a timely manner. Licensee now understands its obligations to supply business records to investigators in accordance with 3 AAC 306.755(b) and 306.800(b). In the future, Licensee will promptly respond to any requests for business records, in accordance with the regulations found in 3 AAC ch. 306. For the above reasons, Licensee requests that no further action be taken regarding the Notice of Violation.

Sincerely,

GARVEY SCHUBERT BARER

A handwritten signature in blue ink, appearing to read 'Erin L. Eliassen'.

By

Erin L. Eliassen

ELE:mct

cc: Brennan J. Norden



Alcohol & Marijuana Control Office
550 W. 7th Ave, Suite 1600
Anchorage, AK 99501

Date: 3-16-17
Case Number: 17-0117
Page 1 of 1 Page

Notice of Violation

(3AAC 306.805)

Licensee Einstein Enterprises, Inc.	License Number 10082	Type of License Marijuana Product Manufacturing Facility
D.B.A. Einstein Labs	How Delivered Certified USPS 7013 2250 0000 9617 5149	Law Enforcement Agency Anchorage Police Department
Street or P.O. Box 18621 N. Lowrie Loop	City, State Eagle River, AK	Zip 99577-2690

This is a notice to you as licensee that an alleged violation has occurred. If the Marijuana Control Board decides to act against your license, under the provisions of AS 44.62.330 - AS 44.62.630 (Administrative Procedures Act) you will receive an Accusation and Notice of your right to an Administrative Hearing.

Note: This is not an accusation or a criminal complaint.

On 3-15-17, Justin Roland of Einstein Labs telephoned AMCO to advise he was going to Rosie Creek Farm on 3-16-17 to purchase product and that there would be a large amount of waste logged in METRC from the way the sale was structured. Roland intended on picking up the product and transporting it back to his facility. This type of transport is not permitted by a marijuana product manufacturing facility. Further review of METRC manifests noted that you completed that same type of unauthorized transport from Rosie Creek Farm on 3-12-15 and Fuzzy Budz on 2-11-17, 2-27-17 and 3-8-17, both cultivation facilities.

Your attention is directed to 3AAC306.750: Transportation, specifically (a)(2) which reads; a marijuana product manufacturing facility may transport a marijuana product to another marijuana product manufacturing facility, a marijuana test facility, or a marijuana retail store.

You are directed to respond to the Director of the Marijuana Control Board in writing to this Notice of Violation within 10 days of receipt to explain what action you have taken to prevent a reoccurrence of this violation. FAILURE TO RESPOND TO THIS NOTICE OF VIOLATION WITHIN 10 DAYS WILL RESULT IN YOUR APPEARANCE, EITHER IN PERSON OR TELEPHONICALLY, BEFORE THE MARIJUANA CONTROL BOARD AT THEIR NEXT REGULARLY SCHEDULED BOARD MEETING.

***Please include your Marijuana Establishment License Number in your response.**

Alcohol & Marijuana Control Office
ATTN: Enforcement Unit
550 W. 7th Ave, Suite 1600
Anchorage, Alaska 99501

A Response is Required

3 AAC 306.805 provides that upon receipt of a Notice of Violation, a licensee may request to appear before the board and be heard regarding the Notice of Violation. The request must be made within ten days after receipt of the Notice. A Licensee shall respond, either orally or in writing, to the Notice.

Receipt:	Violation Observed By: FRH0
Filed By: F.R. Hamilton	Title: Investigator III

April 8th, 2017

Dear Erika McConnell,

Please see the below response in regards to the notice of violation regarding transportation for Einstein Labs, License #10082, Case # 17-0117.

It is our sincerest apologizes for misunderstanding the transportation regulation which lead to the Notice of Violation. This particular regulation has had a great deal of discussion surrounding it and so we were attempting to use our best judgement and good faith effort to operate within what was outlined in the regulation as well the most up to date info and understanding from the board. As board members have stated in previous meetings, limiting transportation between certain marijuana facilities is an issue and the intent was not to prohibit the type of transportation we were cited for but rather adjust the regulation to ensure a healthier industry. We believed we complied with the spirit of the law in regards to the outlined regulation and so felt that we were meeting expectations with an evolving set of laws & regulations.

Moving forward we hope that the transportation issue will be fixed to allow for transportation between all facilities as it provides a more workable industry model that allows for safer and more efficient industry standards.

Finally, in order to ensure that another violation regarding transportation does not occur, Einstein Labs will only transport its products to other marijuana product manufacturing facilities, marijuana test facilities and marijuana retail stores (as outlined by local and state regulations). Products being received or transported to Einstein Labs will be the sole responsibility of the marijuana cultivation facility.

Furthermore, each employee has been provided training to ensure complete understanding of the above information and overall regulations regarding the process for transportation to and from the facility.

Thank you for your time,
Justin Roland



Jana D.
Weltzin Licensed in Alaska &
Arizona 3003 Minnesota
Blvd., Suite 201
Anchorage, Alaska 99501
Phone 630-913-1113
Main Office 907-231-3750
JDW, LLC
jana@jdwcounsel.com

May 12, 2017

Sent Via Electronic Mail

RE: Response to Notice of Violation Dated March 3, 2017 re: Einstein Labs, marijuana product manufacturing facility license no. 10082

Dear Marijuana Control Board:

I am writing on behalf of my client Einstein Labs, a product manufacturing license, number 10082. The brief summary of the situation that prompted the violation is as follows:

On February 11 and 27 of 2017 and on March 8, 2017 a licensee of Einstein Labs went to AK Fuzzy Budz in Anchorage and picked up marijuana and transported it directly back to Einstein Lab's manufacturing facility licensed premises in Anchorage.

On March 12, 2017 a licensee of Einstein Labs came from Anchorage to Rosie Creek Farm's cultivation facility and picked up 1726 grams of marijuana and transported the same directly back to Einstein Lab's manufacturing facility licensed premises in Anchorage.

On March 16, 2017, Einstein Labs designated licensee, Justin Roland, received NOV case number 17-0117 stating the following allegation violated 3 AAC 306.750(a)(2):

On 3-15-17, Justin Roland of Einstein Labs telephoned AMCO to advise he was going to Rosie Creek Farm on 3-16-17 to purchase product and that there would be a large amount of waste logged in METRC from the way the sale was structured. Roland intended on picking up the product and transporting it back to his facility. This type of transport is not permitted by a marijuana product manufacturing facility. Further review of METRC manifests noted that you completed that same type of unauthorized transport from Rosie Creek Farm on 3-12-15 and Fuzzy Budz on 2-11-17, 2-27-17 and 3-8-17, both cultivation facilities.

Around January 17, 2017 Einstein Labs received an email from AMCO stating that license number 10082 was now in the Active status. The email included a PDF attachment titled MJ_Post_Approval_PMFL_Instructions. The first paragraph reads as follows:

What happens after my product manufacturing facility application is approved by the MCB? The following steps are to be taken after your application for a marijuana product manufacturing facility license has been approved by the board. You may not operate your business until the following requirements have been

met.

The document then lists the steps numbered from one to nine. Step numbers eight and nine read as follows:

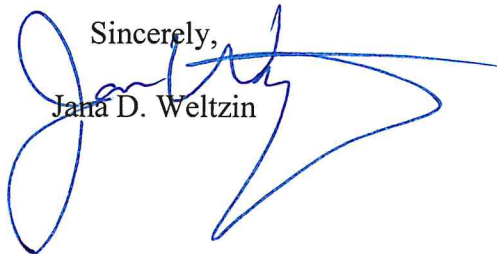
8. After the hold in Metrc is removed, you may begin ordering and **transporting marijuana from licensed cultivation facilities into your product manufacturing facility**. AMCO investigators will visit again to take a look at your space with the product manufacturing and marijuana in place.
9. Congratulations, you are now operating a marijuana establishment license in the State of Alaska!

Please see attached instructions (emphasis added). The designated licensee of Einstein Labs, Justin Roland, relied on the information provided to him by the State agency regulating and licensing his marijuana establishment. His actions were in-line with the instructions provided to him by AMCO.

Accordingly, we request this NOV case number 17-0117 be dismissed and removed from Einstein Lab's record entirely or a memo be added to their file indicating that this Licensee acted in accordance with the instructions that were provided by AMCO which incorrectly indicated that a manufacturing licensee may transport product from a cultivator license.

Sincerely,

Jana D. Weltzin

A handwritten signature in blue ink, appearing to read 'Jana D. Weltzin', is written over the printed name. The signature is stylized with a large loop on the left and a long, sweeping stroke on the right.



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Commerce, Community,
and Economic Development

ALCOHOL & MARIJUANA CONTROL OFFICE

550 W 7th Ave, STE 1600
Anchorage, Alaska 99501
Main: 907.269.0350
TDD: 907.465.5437
Fax: 907.334.2285

Post Approval FAQ

Q: What happens after my product manufacturing facility application is approved by the MCB?

The following steps are to be taken after your application for a marijuana product manufacturing facility license has been approved by the board. You may not operate your business until the following requirements have been met.

1. When all other approvals (Local Government, Fire Marshall, DEC, etc.) have been met, you will be contacted by this office to notify you that your license status has been changed to active in our database. This doesn't mean you can open your doors or start operating your business. The status change is a necessary step so that you may be credentialed into METRC.
2. The licensee will have taken a METRC training class and passed the test.
3. The licensee will place a request to the METRC Support Team to be credentialed into METRC.
4. When you have access to METRC, contact AMCO Investigators to schedule your initial inspection. Don't schedule an initial inspection unless you are within two weeks from being 100% ready to operate your business once the marijuana is transported in. Do not bring any marijuana into the facility before your initial inspection.
5. Set up your facility in METRC and order labels. The labels should take 4-5 days to arrive.
6. When your labels have been ordered, send an email to AMCO.enforcement@alaska.gov, notifying them that you are ready for your "empty shelf" inspection. AMCO staff will place your account in METRC on an administrative hold until the inspection.
7. On the day of your inspection, the enforcement officer will bring your license. If your facility matches what you've submitted to the board and all requirements are in place, you will receive your license and the administrative hold will be removed from METRC.
8. After the hold in Metrc is removed, you may begin ordering and transporting marijuana from licensed cultivation facilities into your product manufacturing facility. AMCO investigators will visit again to take a look at your space with the product manufacturing and marijuana in place.
9. Congratulations, you are now operating a marijuana establishment license in the State of Alaska!